

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1150

Introduced by Assembly Member Maldonado

February 21, 2003

An act to amend ~~Sections 14021.4, 14087.23, and 14684~~ *Section 14087.23* of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1150, as amended, Maldonado. Medi-Cal: provider reimbursement.

Existing law authorizes the board of supervisors of each county to maintain in the county hospital or in any other hospital or psychiatric health facility situated within or without the county, suitable facilities and nonhospital or hospital service for the detention, supervision, care, and treatment of persons who are mentally disordered, *or* developmentally disabled, or who are alleged to be such.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

~~Existing law states the intent of the Legislature, consistent with services offered to persons who are mentally ill under the Medi-Cal program, for the State Department of Mental Health, working collaboratively with the department, to include care and treatment of persons with mental disorders who are eligible for the Medi-Cal program in facilities with a bed capacity of 16 beds or less.~~

~~This bill would provide for the care and treatment of persons with mental disorders who are eligible for the Medi-Cal program in a county psychiatric health facility in San Luis Obispo County, regardless of the bed capacity, to the extent permitted by federal law.~~

Existing law authorizes the department to contract with various types of health care providers and entities in order to obtain Medi-Cal services through managed care arrangements as well as *through* other health care providers under specified circumstances.

Existing law requires that any county-operated community clinic, as defined, ~~shall~~ be reimbursed, subject to reductions in a certain situation, for Medi-Cal services using the same methodology used for reimbursement of a licensed surgical center, to the extent federal financial participation is available.

Existing law authorizes the board of supervisors of a county that contracted with the State Department of Health Services pursuant to a specified provision of law during the 1990–91 fiscal year and any county with a population under 300,000, as determined in accordance with the 1990 decennial census, to elect to participate in the County Medical Services Program for the state administration of health care services to eligible persons in the county.

This bill would apply the above *county-operated community clinic Medi-Cal reimbursement provisions to a county-operated community clinic in San Luis Obispo County that is operated by a county that is eligible to participate in the County Medical Services Program and that, on or before July 1, 2003, ceased to operate a county-operated hospital with an outpatient department.*

~~This bill would make legislative findings and declarations regarding the need for special legislation.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 14021.4 of the Welfare and Institutions~~
- 2 ~~Code is amended to read:~~
- 3 ~~14021.4. (a) The State Department of Mental Health shall~~
- 4 ~~prepare by January 15, 1991, amendments to California's plan for~~
- 5 ~~federal Medi-Cal grants for medical assistance programs, pursuant~~
- 6 ~~to Subchapter XIX (commencing with Section 1396) of Title 42~~
- 7 ~~of the United States Code, to accomplish the following objectives:~~

1 ~~(1) Expansion of the location and type of therapeutic services~~
2 ~~offered to the mentally ill under Medi-Cal by the category of~~
3 ~~“other diagnostic, screening, preventative, and rehabilitative~~
4 ~~services” which is available to states under the Social Security Act~~
5 ~~(42 U.S.C. Sec. 1396d(a)(13); 42 C.F.R. 440.130).~~

6 ~~(2) Expansion of federal financial participation in the costs of~~
7 ~~community mental health services provided by local Short-Doyle~~
8 ~~community mental health programs or under contract to local~~
9 ~~Short-Doyle community mental health programs.~~

10 ~~(3) Expansion of the location where reimbursable Short-Doyle~~
11 ~~Medi-Cal mental health services can be provided, including home,~~
12 ~~school, and community-based sites.~~

13 ~~(4) Expansion of federal financial participation for services~~
14 ~~which meet the rehabilitation needs of severely mentally ill~~
15 ~~consumers, including, but not limited to, medication management,~~
16 ~~functional rehabilitation assessments of clients, and rehabilitative~~
17 ~~services which include remedial services directed at restoration to~~
18 ~~the highest possible functional level for persons with psychiatric~~
19 ~~disabilities and maximum reduction of symptoms of mental~~
20 ~~illness.~~

21 ~~(5) Improvement of fiscal systems and accountability~~
22 ~~structures for Short-Doyle Medi-Cal and Short-Doyle costs and~~
23 ~~rates, with the goal of achieving federal fiscal requirements.~~

24 ~~(b) This Short-Doyle Medi-Cal state plan revision shall be~~
25 ~~completed with review and comments by the California~~
26 ~~Conference of Local Mental Health Directors and other~~
27 ~~appropriate groups. The addition of the rehabilitative option shall~~
28 ~~be limited to Short-Doyle providers certified to provide Medi-Cal~~
29 ~~under this option.~~

30 ~~(c) The State Department of Health Services shall review the~~
31 ~~state plan revision for medicaid services as recommended by the~~
32 ~~State Department of Mental Health. If the state plan amendment~~
33 ~~satisfies published federal requirements for these amendments and~~
34 ~~if the State Department of Health Services has approved and~~
35 ~~submitted to the Health Care Financing Administration a plan of~~
36 ~~correction for audit issues identified for the Short-Doyle Medi-Cal~~
37 ~~program, then the department shall promptly pursue federal~~
38 ~~adoption of the state plan revision. If the State Department of~~
39 ~~Health Services does not recommend adoption of the revision, it~~
40 ~~shall report on the financial and programmatic implications of the~~

1 proposal and the reasons for the rejection to the Joint Legislative
2 Budget Committee by July 1, 1991.

3 (d) The state and local funds required to match federal financial
4 participation shall include, but not be limited to, Short-Doyle and
5 county matching funds. Additional General Fund moneys for this
6 purpose shall be subject to appropriation in the annual Budget Act.

7 (e) ~~It is the intent of the Legislature that the rehabilitation~~
8 ~~option of the state medicaid plan be implemented to expand and~~
9 ~~provide flexibility to treatment services and to increase the federal~~
10 ~~participation without increasing the costs to the General Fund.~~

11 (f) ~~It is the intent of the Legislature that addition of the~~
12 ~~rehabilitation option as a Short-Doyle Medi-Cal benefit shall~~
13 ~~become operative only after the Health Care Financing~~
14 ~~Administration has reviewed and approved the state plan revision~~
15 ~~submitted by the State Department of Health Services, a plan of~~
16 ~~correction approved by the department for audit issues identified~~
17 ~~for the Short-Doyle Medi-Cal program has been submitted, and~~
18 ~~the requirements of this section have been fully satisfied.~~

19 (g) ~~If the Medi-Cal state plan revision required by this section~~
20 ~~is approved by the State Department of Health Services, and~~
21 ~~submitted for federal approval, the State Department of Mental~~
22 ~~Health shall review and revise the quality assurance standards and~~
23 ~~guidelines required by Article 5 (commencing with Section 4070)~~
24 ~~of Chapter 2 of Division 4 to meet the necessary standards to assure~~
25 ~~that quality services are delivered to the eligible population. This~~
26 ~~review shall include, but not be limited to, appropriate use of~~
27 ~~mental health professionals, including psychiatrists, in the~~
28 ~~treatment and rehabilitation of clients under this model. The~~
29 ~~existing quality assurance standards and guidelines shall remain in~~
30 ~~effect until the adoption of the new quality assurance standards and~~
31 ~~guidelines.~~

32 (h) ~~Consistent with services offered to persons who are~~
33 ~~mentally ill under the Medi-Cal program, as required by this~~
34 ~~section, it is the intent of the Legislature for the State Department~~
35 ~~of Mental Health, working collaboratively with the department, to~~
36 ~~include care and treatment of persons with mental disorders who~~
37 ~~are eligible for the Medi-Cal program in facilities with a bed~~
38 ~~capacity of 16 beds or less, and in a county-operated psychiatric~~
39 ~~health facility in San Luis Obispo County to the extent permitted~~
40 ~~by federal law.~~

~~SEC. 2.—~~

SECTION 1. Section 14087.23 of the Welfare and Institutions Code is amended to read:

14087.23. (a) Notwithstanding any other provision of law, and except as provided in subdivision (b), a county-operated community clinic, exempt from licensure under Section 1206 of the Health and Safety Code, that is operated by ~~San Luis Obispo County~~ *a county that is eligible to participate in the County Medical Services Program, as defined in Section 16809, and that, on or before July 1, 2003, ceased to operate a county-operated hospital with an outpatient department, or a county that, on or before November 30, 1997, ceased to operate a county-operated hospital with an outpatient department, shall be reimbursed for Medi-Cal services using the same methodology used for reimbursement of a licensed surgical center, to the extent federal financial participation is available.*

(b) Providers that are independently billing for physician services provided in clinics described in subdivision (a) shall be subject to the reduction in reimbursement consistent with physician services provided in an outpatient hospital department.

~~SEC. 3.—Section 14684 of the Welfare and Institutions Code is amended to read:~~

~~14684.—Notwithstanding any other provision of state law, and to the extent permitted by federal law, mental health plans, whether administered by public or private entities, shall be governed by the following guidelines:~~

~~(a) State and federal Medi-Cal funds identified for the diagnosis and treatment of mental disorders shall be used solely for those purposes. Administrative costs shall be clearly identified and shall be limited to reasonable amounts in relation to the scope of services and the total funds available. Administrative requirements shall not impose costs exceeding funds available for that purpose.~~

~~(b) The development of the mental health plan shall include a public planning process that includes a significant role for Medi-Cal beneficiaries, family members, mental health advocates, providers, and public and private contract agencies.~~

~~(c) The mental health plan shall include appropriate standards relating to quality, access, and coordination of services within a managed system of care, and costs established under the plan, and~~

1 ~~shall provide opportunities for existing Medi-Cal providers to~~
2 ~~continue to provide services under the mental health plan, as long~~
3 ~~as the providers meet those standards.~~

4 ~~(d) Continuity of care for current recipients of services shall be~~
5 ~~ensured in the transition to managed mental health care.~~

6 ~~(e) (1) Medi-Cal covered mental health services shall be~~
7 ~~provided in the beneficiary's home community, or as close as~~
8 ~~possible to the beneficiary's home community. Pursuant to the~~
9 ~~objectives of the rehabilitation option described in subdivision (a)~~
10 ~~of Section 14021.4, mental health services may be provided in a~~
11 ~~facility, a home, or other community-based site.~~

12 ~~(2) To the extent permitted by federal law for federal financial~~
13 ~~participation, Medi-Cal covered mental health services may be~~
14 ~~provided in a county-operated psychiatric health facility in San~~
15 ~~Luis Obispo County without regard to the bed capacity of the~~
16 ~~facility.~~

17 ~~(f) Medi-Cal beneficiaries whose mental or emotional~~
18 ~~condition results or has resulted in functional impairment, as~~
19 ~~defined by the department, shall be eligible for covered mental~~
20 ~~health services. Emphasis shall be placed on adults with serious~~
21 ~~and persistent mental illness and children with serious emotional~~
22 ~~disturbances, as defined by the department.~~

23 ~~(g) Each mental health plan shall include a mechanism for~~
24 ~~monitoring the effectiveness of, and evaluating accessibility and~~
25 ~~quality of, services available. The plan shall utilize and be based~~
26 ~~upon state-adopted performance outcome measures and shall~~
27 ~~include review of individual service plan procedures and practices,~~
28 ~~a beneficiary satisfaction component, and a grievance system for~~
29 ~~beneficiaries and providers.~~

30 ~~(h) Each mental health plan shall provide for culturally~~
31 ~~competent and age-appropriate services, to the extent feasible. The~~
32 ~~mental health plan shall assess the cultural competency needs of~~
33 ~~the program. The mental health plan shall include, as part of the~~
34 ~~quality assurance program required by Section 4070, a process to~~
35 ~~accommodate the significant needs with reasonable timeliness.~~
36 ~~The department shall provide demographic data and technical~~
37 ~~assistance. Performance outcome measures shall include a reliable~~
38 ~~method of measuring and reporting the extent to which services are~~
39 ~~culturally competent and age-appropriate.~~

1 ~~SEC. 4.—Due to the unique circumstances concerning clinics~~
2 ~~in San Luis Obispo County, the Legislature finds and declares that~~
3 ~~a general statute cannot be made applicable within the meaning of~~
4 ~~Section 16 of Article IV of the Constitution. Therefore, this act is~~
5 ~~necessarily applicable only to clinics in San Luis Obispo County.~~

